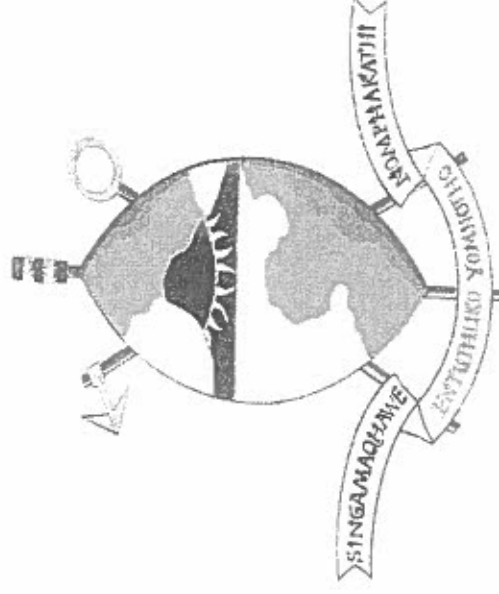


NQUTHU MUNICIPALITY
UMASIPALA WASENQUTHU



NQUTHU LOCAL MUNICIPALITY
SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN ("SDBIP")
2011/2012

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1. **Introduction**

This document provides for the annual submission of the Service Delivery and Budget Implementation Plan (SDBIP) as required in terms of the Municipal Finance Management Act. It should be read in conjunction with the Municipality's Integrated Development Plan (IDP), Budget and Strategic Business Unit Business Plans for the financial year 2011/ 2012. The SDBIP gives effect to the Integrated Development Plan (IDP) and budget of the municipality therefore the IDP and budget must be fully aligned with each other, as required by the MFMA. The SDBIP provides the vital link between the mayor, council (executive) and the administration, and facilitates the process for holding management accountable for its performance. The SDBIP serves as a "contract" between the administration, council and community expressing the goals and objectives set by the council as quantifiable outcomes that can be implemented by the administration over the next twelve months. This provides the basis for measuring performance in service delivery against end of-year targets and implementing the budget.

 13/03/2011

Clr. NM Zungu (Mayor of Nquthu Local Municipality)

2. **Legislative Framework in terms of the MFMA**

The Municipal Finance Management Act (MFMA) of 2003 is aimed to secure sound and sustainable management of the financial affairs of municipalities and to establish treasury norms and standards through continually promoting transparency, participation and accountability of municipalities. The MFMA requires that municipalities prepare a Service Delivery and Budget Implementation Plan as a strategic financial management tool to ensure that budgetary decisions that are adopted by municipalities for the financial year are aligned with their Integrated Development Plan Strategy. According to section 1 of the Act a service delivery and budget implementation plan means a detailed plan approved by the mayor of a municipality in terms of section 53(1)(c)(ii) for implementing the municipality's delivery of municipal services and its annual budget, and which must indicate;

- (a) Projections for each month of the year
 - (i) Revenue to be collected, by source; and
 - (ii) Operational and capital expenditure, by vote;
- (b) Service delivery targets and performance indicators for each quarter;
- (c) Any other matters that may be prescribed, and includes any revisions of such plan by the mayor in terms of section 54(1)(c). In terms of Section 53 (3) of the Municipal Finance Management Act (MFMA) No. 56 of 2003 the mayor must ensure-
 - (a) that the revenue and expenditure projections for each month and the service delivery targets and performance indicators for each quarter, as set out in the service delivery and budget implementation plan are made public no later than 14 days after the approval of the service delivery and budget implementation plan;
 - (b) that the performance agreements of the municipal manager, senior managers and any other categories of officials as may be prescribed, are made public no later than 14 days after the approval of the municipality's service delivery and budget implementation plan. Copies of such performance agreements must be submitted to the council and the MEC for local government in the province

3. The SDBIP Concept

The SDBIP is a management, implementation and monitoring tool that will assist the mayor, councillors, municipal manager, senior managers and community. The SDBIP will facilitate accountability between managers, Council, Councillors and the community. It also fosters the management, implementation and monitoring of the budget, the performance of senior management and the achievement of the strategic objectives as laid out in the IDP. Whilst the budget sets yearly service delivery and budget targets (revenue and expenditure per vote), it is imperative that in-year mechanisms are able to measure performance and progress on a continuous basis. Hence, the end-of-year targets must be based on quarterly and monthly targets, and the municipal manager must ensure that the budget is built around quarterly and monthly information. Being a start-of-year planning and target tool, the SDBIP gives meaning to both in-year reporting in terms of section 71 (monthly reporting), section 72 (mid-year report) and end-of-year annual reports

4. Monthly projections of revenue to be collected for each source

12/24/24 Nquthu - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2011/12												Financial Year Revenue and Expenditure		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2011/12	Budget Year 2012/13	Budget Year 2013/14
Revenue By Source																
Property rates		395	367	364	368	367	369	364	365	368	365	366	367	4,396	6,131	6,741
Property rates - penalties & collection charge		11	9	13	11	10	11	13	10	11	10	11	13	132	-	-
Service charges - electricity revenue		965	950	949	948	946	951	960	941	943	944	951	1,069	11,526	13,255	14,978
Service charges - water revenue														-	-	-
Service charges - sanitation revenue														-	-	-
Service charges - refuse revenue		243	243	241	242	242	243	243	242	242	242	242	244	2,908	3,345	3,779
Service charges - other														-	-	-
Rental of facilities and equipment		6	6	6	6	6	6	6	6	6	6	6	-	-	-	-
Interest earned - external investments														74	108	134
Interest earned - outstanding debtors														-	-	-
Dividends received														-	-	-
Fines		16	17	17	16	16	16	17	17	17	17	19	15	200	250	320
Licences and permits		-	-	-	3	4	6	9	10	12	17	19	21	100	110	134
Agency services														-	-	-
Transfers recognised - operational		28,482	-	-	-	20,719	-	-	-	16,324	242	-	-	65,767	71,785	76,103
Other revenue		63	63	63	62	63	62	64	64	63	62	64	62	754	814	835
Gains on disposal of PPE						70								70	-	-
Total Revenue (excluding capital transfers)		30,151	1,654	1,652	1,656	22,444	1,676	1,678	1,654	17,995	1,903	1,678	1,797	65,936	95,838	103,525
Expenditure By Type																
Employers related costs		2,102	2,109	2,106	2,103	2,145	2,250	2,110	2,204	2,103	2,109	2,110	2,458	25,948	30,010	36,791
Remuneration of councillors		541	541	541	541	541	662	662	662	662	662	662	662	7,338	8,218	9,204
Debt impairment		45	44	45	45	45	45	44	45	45	45	45	45	535	575	610
Depreciation & asset impairment		58	58	58	58	58	58	58	58	58	58	58	59	700	720	735
Finance charges		18	18	18	18	18	18	18	18	18	18	18	18	219	232	275
Bulk purchases		1,324	999	868	783	923	1,033	920	875	911	890	847	1,058	11,432	13,142	14,856
Other materials		100	99	99	101	100	100	100	98	98	100	100	101	1,194	1,279	1,470
Contracted services		1,058	215	692	379	218	741	319	276	691	378	216	750	5,991	6,416	7,197
Transfers and grants		2,090	2,651	2,275	2,175	2,181	2,121	2,110	2,110	2,110	2,450	2,102	4,297	28,681	25,558	26,963
Other expenditure		2,466	2,618	2,450	2,532	2,521	2,412	2,432	2,564	2,562	2,420	2,105	2,447	29,589	32,093	35,107
Loss on disposal of PPE														-	-	-
Total Expenditure		9,810	9,413	9,151	8,736	8,747	9,400	8,834	8,510	8,358	9,139	8,262	11,955	111,626	118,208	133,208
Surplus/(Deficit)		20,341	(7,759)	(7,499)	(7,089)	13,697	(7,724)	(7,156)	(7,255)	8,727	(7,227)	(6,585)	(10,058)	(25,690)	(22,370)	(29,583)
Transfers recognised - capital														-	-	-
Contributions recognised - capital														-	-	-
Contributed assets		1,479	1,785	1,532	1,659	1,789	1,786	1,568	1,659	4,873	2,005	1,931	3,624	25,699	25,558	26,963
Surplus/(Deficit) after capital transfers & contributions		21,820	(5,973)	(5,967)	(5,421)	15,486	(6,018)	(5,590)	(5,597)	13,601	(5,192)	(4,654)	(6,474)	(9)	3,188	(2,620)
Taxation														-	-	-
Attributable to minorities														-	-	-
Share of surplus/ (deficit) of associate														-	-	-
Surplus/(Deficit)		21,820	(5,993)	(5,967)	(5,421)	15,486	(6,018)	(5,590)	(5,597)	13,601	(5,192)	(4,654)	(6,474)	(9)	3,188	(2,620)

1. Surplus (Deficit) must reconcile with Budgeted Financial Performance

5. Office of the Municipal Manager

Vote	Material KPA	LOCAL KPA	OBJECTIVE	KEY PERFORMANCE INDICATOR	Source Docs	BASELINE	1 st Quarter (2009)		2 nd Quarter		3 rd Quarter		4 th Quarter (FY 09)		Annual Expansion of Value	July		August		September		
							Actual	Projected	Actual	Projected	Actual	Projected	Actual	Projected		Open	Close	Open	Close	Open	Close	
Basic Service Delivery			Number of meetings with DOI	own leading		2 IDP rep forums	1 IDP rep forum				1 IDP rep forum				12000							
			Number of Meetings with the SAPS	own leading		2 IDP rep forums	1 IDP rep forum				1 IDP rep forum											
			Number of Meetings with the E	own leading		2 IDP rep forums	1 IDP rep forum				1 IDP rep forum											
			Unconquered approval of the IDP process Plan	own leading		Approved IDP process Plan	Approved IDP process Plan				Approved IDP process Plan											
Management Development and Transformation		Timeous completion and approval of the IDP	own leading		Approved IDP process Plan	Approved IDP process Plan																
		Number of IDP Rep Forum	own leading		2 IDP rep forums	1 IDP rep forum				1 IDP rep forum												
		Number of IDP steering Committee	own leading		4 IDP steering	1 IDP steering				1 IDP steering												
		IDP Training	own leading		1 IDP Training	1 IDP Training																
Local Economic Development		Round of IDP Road Shows	own leading		1 round of IDP road shows	1 round of IDP road shows																
		Number of Monitoring Reports	own leading		1 Monitoring Report	1 Monitoring Report				1 Monitoring Report												
		Number of Monitoring on SMART KPIs	own leading		1 Monitoring Report	1 Monitoring Report				1 Monitoring Report												
		Number of District Planning and Monitoring Reports	own leading		1 District Forum	1 District Forum				1 District Forum												
		Number of performance reports	own leading		1 performance report	1 performance report				1 performance reports												
		PMS workshops	own leading		2 PMS workshops	1 PMS workshop				1 PMS workshop												
		PMS Framework, Scorecard and monitoring reviewed PMS and	own leading		1 PMS workshop	1 PMS workshop																
		Score Card	own leading		1 PMS workshop	1 PMS workshop																
		Number of LED items on the IDP steering committee	own leading		1 LED item	1 LED item				1 LED item												
		Number of LED items on the IDP steering committee	own leading		1 LED item	1 LED item				1 LED item												
		Number of LED items on the IDP steering committee	own leading		1 LED item	1 LED item				1 LED item												
		Number of LED items on the IDP steering committee	own leading		1 LED item	1 LED item				1 LED item												
Social Governance and Public Participation	Youth, Children,	youth day celebrations	own leading		1 youth day celebration	1 youth day celebration																
		establishment of a youth affairs committee	own leading		12 youth committee meetings	3 youth committee meetings				3 youth committee meetings												
		102 LED items on the IDP steering committee	own leading		102 LED items on the IDP steering committee	102 LED items on the IDP steering committee				102 LED items on the IDP steering committee												
		10 LED items on the IDP steering committee	own leading		10 LED items on the IDP steering committee	10 LED items on the IDP steering committee				10 LED items on the IDP steering committee												
		10 LED items on the IDP steering committee	own leading		10 LED items on the IDP steering committee	10 LED items on the IDP steering committee				10 LED items on the IDP steering committee												
		10 LED items on the IDP steering committee	own leading		10 LED items on the IDP steering committee	10 LED items on the IDP steering committee				10 LED items on the IDP steering committee												
		10 LED items on the IDP steering committee	own leading		10 LED items on the IDP steering committee	10 LED items on the IDP steering committee				10 LED items on the IDP steering committee												
		10 LED items on the IDP steering committee	own leading		10 LED items on the IDP steering committee	10 LED items on the IDP steering committee				10 LED items on the IDP steering committee												
		10 LED items on the IDP steering committee	own leading		10 LED items on the IDP steering committee	10 LED items on the IDP steering committee				10 LED items on the IDP steering committee												
		10 LED items on the IDP steering committee	own leading		10 LED items on the IDP steering committee	10 LED items on the IDP steering committee				10 LED items on the IDP steering committee												
		10 LED items on the IDP steering committee	own leading		10 LED items on the IDP steering committee	10 LED items on the IDP steering committee				10 LED items on the IDP steering committee												
		10 LED items on the IDP steering committee	own leading		10 LED items on the IDP steering committee	10 LED items on the IDP steering committee				10 LED items on the IDP steering committee												

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6. Department of Community Services

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Vide	National KPA	LOCAL KPA	OBJECTIVE	KEY PERFORMANCE INDICATOR	Source Data	BASELINE	1 st Quarter (2011)		2 nd Quarter		3 rd Quarter		4 th Quarter (2011)		Expenditure of Vehicle	Actual		Budget		Expenditure
							Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual		Planned	Actual	Planned	Actual	
				% of expenditure on capital Budget for implementing the work skills plan		100%	12%	100%	25%	100%	25%	100%	25%	500000						
				Number of MFAS Reports		4 Monitoring reports	1 Monitoring report	4 Monitoring reports	1 Monitoring report	4 Monitoring reports	1 Monitoring report	4 Monitoring reports	1 Monitoring report							
				Number of Risk Management Report		12 Monitoring reports	3 Monitoring reports	12 Monitoring reports	3 Monitoring reports	12 Monitoring reports	3 Monitoring reports	12 Monitoring reports	3 Monitoring reports							
				Number of LED Items at Imbizo		4 Items at Imbizo	0	4 Items at Imbizo	0	4 Items at Imbizo	0	4 Items at Imbizo	0							
				Number of Forums established		3 Forums established	0	3 Forums established	0	3 Forums established	0	3 Forums established	0							
				Number of HIV/AIDS forum world wide day celebration		1 HIV/AIDS forum	1 HIV/AIDS forum	1 HIV/AIDS forum	1 HIV/AIDS forum	1 HIV/AIDS forum	1 HIV/AIDS forum	1 HIV/AIDS forum	1 HIV/AIDS forum							
				women's day celebration		1 women's day celebration	1 women's day celebration	1 women's day celebration	1 women's day celebration	1 women's day celebration	1 women's day celebration	1 women's day celebration	1 women's day celebration							
				Number of gender meetings		1 gender meeting	1 gender meeting	1 gender meeting	1 gender meeting	1 gender meeting	1 gender meeting	1 gender meeting	1 gender meeting							
				Heritage Day celebration		1 Heritage Day celebration	1 Heritage Day celebration	1 Heritage Day celebration	1 Heritage Day celebration	1 Heritage Day celebration	1 Heritage Day celebration	1 Heritage Day celebration	1 Heritage Day celebration							
				Annual Indaba for the aged		1 Annual Indaba for the aged	1 Annual Indaba for the aged	1 Annual Indaba for the aged	1 Annual Indaba for the aged	1 Annual Indaba for the aged	1 Annual Indaba for the aged	1 Annual Indaba for the aged	1 Annual Indaba for the aged							
				Monthly monitoring reports on ward Committees		12 Monitoring reports	3 Monitoring reports	12 Monitoring reports	3 Monitoring reports	12 Monitoring reports	3 Monitoring reports	12 Monitoring reports	3 Monitoring reports							
				developed suggestion register and Box		4 Progress reports	1 Progress report	4 Progress reports	1 Progress report	4 Progress reports	1 Progress report	4 Progress reports	1 Progress report							
				gazetted by laws		4 Progress reports	1 Progress report	4 Progress reports	1 Progress report	4 Progress reports	1 Progress report	4 Progress reports	1 Progress report							
				Progress with the development of the disaster management plan		4 Progress reports	1 Progress report	4 Progress reports	1 Progress report	4 Progress reports	1 Progress report	4 Progress reports	1 Progress report							
				Progress reports and test audit		4 Progress reports	1 Progress report	4 Progress reports	1 Progress report	4 Progress reports	1 Progress report	4 Progress reports	1 Progress report							
				Number of Monitoring Meetings		12 Monitoring reports	3 Monitoring reports	12 Monitoring reports	3 Monitoring reports	12 Monitoring reports	3 Monitoring reports	12 Monitoring reports	3 Monitoring reports							
				Number of Council meetings		4 meetings	1 meeting	4 meetings	1 meeting	4 meetings	1 meeting	4 meetings	1 meeting							
				Number of exco meetings		4 Meetings	1 Meetings	4 Meetings	1 Meetings	4 Meetings	1 Meetings	4 Meetings	1 Meetings							
				Number of legal/financial meetings		12 legal/financial meetings	3 legal/financial meetings	12 legal/financial meetings	3 legal/financial meetings	12 legal/financial meetings	3 legal/financial meetings	12 legal/financial meetings	3 legal/financial meetings							
				Progress report in the implementation of the fleet management policy		12 progress reports	3 progress reports	12 progress reports	3 progress reports	12 progress reports	3 progress reports	12 progress reports	3 progress reports							

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7. Budget and Treasury Office